

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

[See a sample reprint in PDF format.](#)

[Order a reprint of this article now](#)

THE WALL STREET JOURNAL.
WSJ.com

OPINION | March 11, 2013, 7:29 p.m. ET

Paul Ryan: The GOP Plan to Balance the Budget by 2023

The goal can be reached, with no new taxes, while increasing spending 3.4% annually instead of the current 5%.

By **PAUL RYAN**

America's national debt is over \$16 trillion. Yet Washington can't figure out how to cut \$85 billion—or just 2% of the federal budget—without resorting to arbitrary, across-the-board cuts. Clearly, the budget process is broken. In four of the past five years, the president has missed his budget deadline. Senate Democrats haven't passed a budget in over 1,400 days. By refusing to tackle the drivers of the nation's debt—or simply to write a budget—Washington lurches from crisis to crisis.

House Republicans have a plan to change course. On Tuesday, we're introducing a budget that balances in 10 years—without raising taxes. How do we do it? We stop spending money the government doesn't have. Historically, Americans have paid a little less than one-fifth of their income in taxes to the federal government each year. But the government has spent more.

Related News



[Plan Revives Election Issues](#)

Republican House Budget Chairman Paul Ryan plans to introduce a proposal to overhaul Medicare and Medicaid that is almost identical to the Republican presidential platform in the 2012 election.

So our budget matches spending with income. Under our proposal, the government spends no more than it collects in revenue—or 19.1% of gross domestic product each year. As a result, we'll spend \$4.6 trillion less over the next decade.

Our opponents will shout austerity, but let's put this in perspective. On the current path, we'll spend \$46 trillion over the next 10 years. Under our proposal, we'll

spend \$41 trillion. On the current path, spending will increase by 5% each year. Under our proposal, it will increase by 3.4%. Because the U.S. economy will grow faster than spending, the budget will balance by 2023, and debt held by the public will drop to just over half the size of the economy.

Yet the most important question isn't how we balance the budget. It's why. A budget is a means to an end, and the end isn't a neat and tidy spreadsheet. It's the well-being of all Americans. By giving families stability and protecting them from tax hikes, our budget will promote a healthier economy and help create jobs. Most important, our budget will reignite the American Dream, the idea that anyone can make it in this country.

The truth is, the nation's debt is a sign of overreach. Government is trying to do too much, and when government does too much, it doesn't do anything well. So a balanced budget is a reasonable goal, because it returns government to its proper limits and focus. By curbing government's overreach, our budget will give families the space they need to thrive.

Related Video



The other side will warn of a relapse into recession—just as they predicted economic disaster when the budget sequester hit. But a balanced budget will help the economy. Smaller deficits will keep interest rates low, which will help small businesses to expand and hire. It's no surprise, then, that the nonpartisan Congressional Budget Office believes that legislation reducing the deficit as much as our budget does would boost gross national product by 1.7% in

Editorial page editor Paul Gigot on whether Republicans can trust President Obama's overtures. Photo: Getty Images

2023.

We must take action now. Our budget will expand opportunity in major areas like energy. It will protect and strengthen key priorities like Medicare. It will encourage social mobility by retooling welfare. It will fix the broken tax code to create jobs and increase wages.

First, energy. America has the world's largest natural-gas, oil and coal reserves—enough natural gas to meet the country's needs for 90 years. Yet the administration is buying up land to prevent further development. Our budget opens these lands to development, so families will have affordable energy. It approves the Keystone XL pipeline, which will create 20,000 direct jobs—and 118,000 indirect jobs. Our budget puts the country on the path to North American energy independence.

Second, health care. Our budget repeals the president's health-care law and replaces it with patient-centered reforms. It also protects and strengthens Medicare. I want Medicare to be there for my kids—just as it's there for my mom today. But Medicare is going broke. Under our proposal, those in or near retirement will see no changes, and future beneficiaries will inherit a program they can count on. Starting in 2024, we'll offer eligible seniors a range of insurance plans from which they can choose—including traditional Medicare—and help them pay the premiums.

The other side will demagogue this issue. But remember: Anyone who attacks our Medicare proposal without offering a credible alternative is complicit in the program's demise.



© Images.com/Corbis

Third, welfare reform. After the welfare reforms of 1996, child poverty fell by double digits. This budget extends those reforms to other federal aid programs. It gives states flexibility so they can tailor programs like Medicaid and food stamps to their people's needs. It encourages states to get people off the welfare rolls and onto payrolls. We shouldn't measure success by how much we spend. We should measure it by how many people we help. Those who protect the status quo must answer to the 46 million Americans living in poverty.

Fourth, tax reform. The current tax code is a Rubik's cube that Americans spend six billion hours—and \$160 billion—each year trying to solve. The U.S. corporate tax is the highest in the industrialized world. So our budget paves the way for comprehensive tax reform. It calls for Congress to simplify the code by closing loopholes and consolidating tax rates. Our goal is to have just two brackets: 10% and 25%. House Ways and Means Chairman Dave Camp has committed to pass a specific bill this year.

If we take these steps, the United States will once again become a haven of opportunity. The economy will grow, and the country will regain its strength. All we need is leadership. Washington owes the American people a balanced budget. It isn't fair to take more from families so government can spend more.

A balanced budget isn't unprecedented. President Bill Clinton worked with a Republican Congress to get it done. House Republicans' last two budgets balanced, too—albeit at a later date. But a balanced budget is still a noteworthy achievement, considering the competition.

The recent debt-ceiling agreement forced Senate Democrats to write a budget this year, and we expect to see it this week. I hate to break the suspense, but their budget won't balance—ever. Instead, it will raise taxes to pay for more spending. The president, meanwhile, is standing on the sidelines. He is expected to submit his budget in April—two months past his deadline.

We House Republicans have done our part. We're offering a credible plan for all the country to see. We're outlining how to solve the greatest problems facing America today. Now we invite the president and Senate Democrats to join in the effort.

— Mr. Ryan, a Republican, represents Wisconsin's first congressional district and is chairman of the House Budget Committee.

A version of this article appeared March 12, 2013, on page A17 in the U.S. edition of The Wall Street Journal, with the headline: The GOP Plan to Balance the Budget by 2023.

Copyright 2012 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com